

CENTRAL INTELLIGENCE AGENCY
INFORMATION REPORT

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COUNTRY	East Germany	REPORT	
SUBJECT	Planned 1955 Investments and General Repairs in all Enterprises under the East German Ministry for Machine Construction.	DATE DISTR.	6 May 1955
DATE OF INFO.		NO. OF PAGES	3
PLACE ACQUIRED		REQUIREMENT	
DATE ACQUIRED		REFERENCES	
This is UNEVALUATED Information			

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THE APPRAISAL OF CONTENT IS TENTATIVE.
(FOR KEY SEE REVERSE)

- About the middle of February 1955, the Ministry for Machine Construction completed the 1955 Investment Plan. This Plan was confirmed in early March 1955. The following table lists the planned 1955 investments of all enterprises under the Ministry, broken down by Main Administrations and in million DME. This table lists the two Main Administrations for Boiler and Turbine Construction and for Power and Work Machine Construction as separate administrations, although they were combined into one Main Administration for Power Generating and Production Machine Construction as of 1 January 1955.^{1,2} Planning of 1955 investments, however, was done separately, as shown below, so that the 1955 and 1954 investments could be compared. 25X1
- The following investment table does not list the planned funds for general repairs which in some instances exceed the investment funds. General repairs in the planned economy do not figure under investments but are entered in a separate plan. General repairs are repairs of installations which appear as capital assets in the balance. 25X1
- A: Planned 1955 Investments in all Enterprises under the Ministry for Machine Construction.

Main Administration	Planned 1955 Investments in million DME	
Heavy Industrial Equipment	17.898	25X1
Chemical, Ceramic and Food Industries	2.985	
Polygraphic and Textile Industries	4.278	
Machine Tool Construction	10.866	
Foundries	12.754	
Boiler and Turbine Construction	5.871	
Power and Work Machine Construction	8.815	
Electrical Machine Construction	5.034	
Cable and Apparatus Construction	10.458	

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Page 2

25X1

Main Administration	Planned 1955 Investments in million DME
Ship Construction	5.182
Automobile and Tractor Construction	48.203
Locomotive and Railroad Car Construction	7.300
Agricultural Machine Construction	2.028
RFT	4.038
Precision Mechanics and Optics	12.046
Light Machine Construction	2.838
Iron, Sheet Metal and Metal Products	6.381

B: Planned 1955 General Repairs in all Enterprises under the Ministry for Machine Construction.

Heavy Industrial Equipment	8.228
Chemical, Ceramic and Food Industries	3.306
Polygraphic and Textile Industries	3.763
Machine Tool Construction	3.945
Foundries	2.960
Boiler and Turbine Construction	1.967
Power and Work Machine Construction	2.912
Electrical Machine Construction	3.698
Cable and Apparatus Construction	5.499
Ship Construction	6.250
Automobile and Tractor Construction	7.659
Locomotive and Railroad Car Construction	2.044
Agricultural Machine Construction	2.883
RFT	5.296
Precision Mechanics and Optics	9.261
Light Machine Construction	4.028
Iron, Sheet Metal and Metal Products	not yet determined as of early March 1955

4. The general tendency of the 1955 investment policy appears to be that the investment decrease, started in late 1953 and continued in 1954, is maintained in the 1955 planning. The Ministry, in fact, issued regulations whereby large investment funds will only be made available in 1955 to enterprises of recognized economic importance (Schwerpunktbetriebe) and within such enterprises only for objects of recognized economic importance (Schwerpunktobjekte). Investments not bearing on these two points will have to be financed from profits in excess of the Plan (Ueberplangewinne) of the enterprises concerned. Theoretically such investments can be financed through credits from the Investment Bank. But the procedures devised for obtaining credits on expected profits in excess of the Plan are intentionally made so complicated that it will be extremely difficult for many enterprises to obtain such credits.
5. The above-listed planned investments for 1955 do not entirely exhaust the planned investment funds for the Ministry. Funds amounting to 2.051 million DME, which the Ministry is entitled to allow for investments, have not been planned yet. They will be maintained in the Ministry as an investment emergency reserve to be distributed in the course of the plan year in cases where unforeseen, i.e. unplanned, circumstances arise.
6. The total of the above-listed funds for general repairs in 1955 represents 35% of the amortizations expected in 1955 in all enterprises falling under the Ministry for Machine Construction.. This, however, applies to the Ministry as a whole. The above breakdown of planned funds for general repairs in 1955 according to Main Administrations was established by the Ministry without regard for the 1955 amortizations in the individual Main Administration.


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S-E-C-R-E-T

Page 3

25X1

 Comment: HV Dampfkesselbau und Turbinen (Main Administration Boiler and Turbine Construction) and HV Kraft und Arbeitsmaschinen (Main Administration Power Generating and Production Machine Construction) were combined to form HV Energie und Kraftmaschinenbau (Main Administration Power Machinery)

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